

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Sonnax Industries

Vermont Manufacturing Extension Center

Sustained Change Improves Results Throughout Sonnax Industries

Client Profile:

Sonnax Industries is a leading supplier of aftermarket parts for automotive transmissions and torque converters. The 30-year-old company employs 175 people at its facility in Bellows Falls, Vermont.

Situation:

In 2006, President & CEO Tommy Harmon bought Sonnax Industries with a determination to reinvigorate its history of sustained growth. He appointed a Director of Continuous Improvement to coordinate the effort. Sonnax also began work with the Vermont Manufacturing Extension Center (VMEC) to implement Value Stream Mapping, lending expertise and credibility to the process of changing the company.

Solution:

VMEC implemented a Value Stream Mapping (VSM) project that addressed core operations in the packaging and shipping departments. Those departments had difficulty keeping up with demand and were plagued with a chronic backlog of work. A cross functional team used the mapping process to identify the extent to which waste had crept into the process over the years. Analysis in packaging and shipping also led the team to another area of the company, Quality Control, which was facing similar issues. Within a few months, the team eliminated redundant or unnecessary steps and instituted pull systems allowing Sonnax to relieve its work backlog, cut in-process inventory by \$500,000 and improve customer service.

The second project addressed the company's product development system. Product development is integral to Sonnax's growth as the company develops about one new product every day. However, the process was slow, leading to frustration for customers and employees. Working with VMEC, Sonnax analyzed its new product pipeline. By learning which product development efforts competed for internal resources, they now make more strategic choices on filling the pipeline. Controlling the inflow of projects helped in two ways. It ensured that projects were supported by management, and it allowed people to spend more time on development and less time on project status updates. In under a year, new product time-to-market was cut in half, customers are happier and employees have a greater sense of job satisfaction.

Most recently Sonnax directed its attention to generating additional sales growth to utilize the capacity generated through its Lean efforts. The company again turned to VMEC to perform a Value Stream Mapping of the order entry process. The goal was to streamline order entry allowing sales people to shift from "order takers" to "order makers". Team members from previous Lean activities were called upon to work with members of the Sales department. The team tracked department activities for a week and found that Sales Reps had less than 2 hours a day to spend on order making functions. The study revealed that excessive time was spent checking for order entry errors and researching the projected availability of backordered items. Standard work procedures were put into place establishing guidelines for order entry thereby reducing much of the required checking. The operational

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representatives on the team worked on improving the accuracy of product availability information in the company's computer system. Within a month, accuracy rose from 50 percent to over 90 percent, virtually eliminating research time for the Sales Reps. Following these time saving measures, Sonnex was able to institute a system of formalized sales campaigns to better utilize Sales Reps for their primary function of generating new business.

Results:

- * Reduced in-process inventory by \$500,000.
- * Increased accuracy from 50 percent to over 90 percent.
- * Improved employee morale.
- * Improved communication and customer service.

Testimonial:

"Before we started this project, some employees would 'do it all' and others were in the dark about how to help. Now we have developed a culture of continuous improvement, and everyone participates."

Tommy Harmon, President & CEO